

Never Think NEVER

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Managing your Investments Properly Starts with Diversification

The sooner you start planning, the better your chances to make your dreams come true, be it for having a comfortable retirement, buying a home, starting your business, or simply going on vacation!

As such, a good investment strategy is essential, as the stability of your investment portfolio stems from its very close management, rather than leaving things to chance. We are ready to help you.

Diversifying your portfolio is a tried and tested approach!

Diversification is not a new concept. Don't forget that investing is an art and is not to be improvised. Diversification strives mainly to reduce short-term capital fluctuations, and a well-diversified portfolio increases the likelihood of recouping lost gains—because it is hard to predict future yields of various asset categories.

Do you tend to react emotionally when markets are volatile? Do you stop reading your account statements? Rest assured, you are not alone. We are there to help reassess your situation together and provide you with advice which will enable you to benefit from the situation.

"Should you review your investment strategy with regards to the market results?" In answer to this question, Luc Girard, Director of the Portfolio Advisory Group at Desjardins Securities, states: *"If the profile hasn't changed, then you must stay the course and remain steadfast to your strategy. However, rebalancing the portfolio will enable you to have tactical positioning over the short term. Diversifying your investments and taking advantage of opportunities remain successful approaches. It is normal to be worried about the value of your assets and how they have evolved over time. It is important to remember, however, that market turbulence has always been a part of economic cycles and that every bear market has been followed by a bull market."*¹

As can be seen in the table below, remaining committed to the market pays off handsomely!

Investment Risk Factor Getting out of the markets

Canadian Stock Market (S & P / TSX Index)
Results as of December 31, 2008, for \$10,000 invested on June 30, 1991

Annual Compound Return		
7.91%	\$36,504	Remaining fully invested during this time
4.16%	\$19,982	Out of market during the 10 best days
1.75%	\$13,423	Out of market during the 30 best days
-0.31%	\$9,481	Out of market during the 30 best days
-2.10%	\$6,985	Out of market during the 40 best days

U.S. Stock Market (S & P 500 Index)
Results as of December 31, 2008 for \$10,000 invested on June 30, 1991

Annual Compound Return		
7.06%	\$31,905	Remaining fully invested during this time
2.76%	\$15,862	Out of market during the 10 best days
0.02%	\$10,042	Out of market during the 20 best days
-2.21%	\$6,852	Out of market during the 30 best days
-4.21%	\$4,837	Out of market during the 40 best days

INVESTMENT FUNDS AND TRUST SERVICES EXECUTIVE DIVISION

Do you review your investor profile with your advisor on a regular basis?

Book an appointment! At Desjardins, we have the expertise required to review your portfolio and help you meet your long-term financial plan objectives. Experience has shown us that those who stick to their financial objectives come out ahead. Remaining steadfast to your plan can help you concentrate on your goals and strike a balance between your guaranteed and non-guaranteed rate investments. We will meet with you to make sure that your investment strategy is in line with your investment profile.



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Various asset classes

We will take the time to review with you the various asset classes that can help you reach your financial objectives, all in line with your investor profile. You can also ask us about the expertise and investment discipline of portfolio managers who have been assigned to manage your mutual funds.²

Among the various asset classes, liquidity is usually safe, as it provides you with the flexibility required to take advantage of current buying opportunities.

Fixed-income securities can also be appealing; however, they offer relatively low interest rates. Growth stocks often offer a higher potential return than other asset classes, but this greater potential is coupled with much greater volatility than for other asset classes.

Also, it is important to have some diversification with growth stocks, in terms of location, economic sectors, etc. (a diversification which is usually obtained by investing in action funds). In fact, the role of fund managers is to make you benefit from the best market strategies available to make your investments grow.

As every asset class has its pros and cons, it would probably be hard to try and forecast which one would be the best choice over the short term. Many analysis show this, diversification results in a wide range of portfolio investments and decreases volatility. By taking your risk tolerance into account when diversifying your portfolio, you will find the asset allocation that is right for you, after having set your goals and assessed your financial situation.

What would be your best investment in the coming weeks? Come meet with us, to see if the diversification of your investments is still in line with your investor profile. Things might have changed since our last meeting. Annual planning will also help keep you abreast of new aspects on the financial market. We will tell you all about them.

How about tax considerations? Does your tax bill always seem complicated and a source of constant worry?

At our caisse, we can inform you about certain advantages of various mechanisms to help manage tax reduction or carry over, as well as advantages of income splitting.

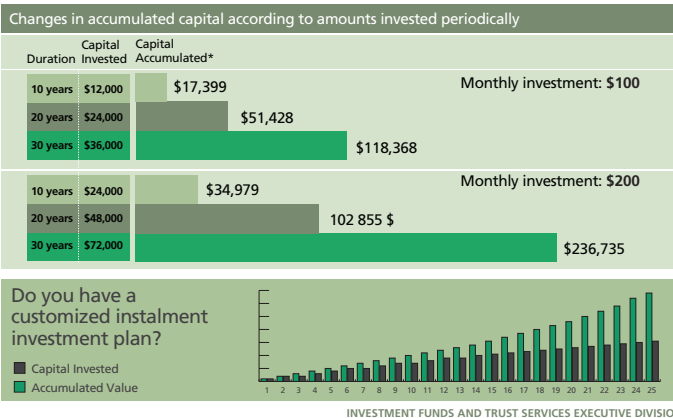
Thanks to the tax-free savings account (TFSA), it has been possible, since January of 2009, to put your investment income in a tax-free account.

Systematic Investing

A simple, effective and reassuring approach

Are you trying to take advantage of market volatility? The automatic direct debit program is for you.

Regular instalment investing – a flexible and profitable approach



* This example assumes a 7% return based on a diversified portfolio which includes a growth portion of at least 50% (a growth profile (6.62%) and high growth (7.18%).

It provides you with a steady presence in the markets as you invest a fixed amount periodically. As it is hard to foresee the ideal moments to invest, the automatic direct debit program is advantageous in that it helps you avoid making emotional decisions—clearly an excellent investment approach in turbulent markets.

As managing your investment portfolio remains a priority for you, our advice could certainly help when reassessing your investment strategies. Come meet with us; we will look at your situation together and make sure that your portfolio and financial plans remain in line with your objectives and dreams!

- 1 Excerpt taken from the interview published in the magazine EspaceD – November-December 2008 issue, p. 19
- 2 Mutual funds are offered by Mutual Funds Representatives for Desjardins Financial Services Firm Inc., a Desjardins Group company. Mutual funds are not guaranteed, their value changes frequently and past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and using an asset distribution service. Please read the prospectus before investing.



Money working for people

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